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June 20, 2024

Minimum Wage Increase and Other New Requirements for Renton Employers



The city of Renton, Washington, finalized rules to implement Initiative 23-02 on May 31, 2024.

The initiative was approved by Renton voters in February 2024 and codified within Chapter 5-28 and Section 5-5-4 of the Renton Municipal Code (the Ordinance). The Ordinance sets new labor standards for Renton employers, including a higher minimum wage, requirements for providing part-time employees with access to additional hours before hiring new employees, and certification requirements.

**Minimum Wage**

Covered employers will be required to pay a new minimum wage to employees for hours worked in Renton, which is higher than the current state minimum wage of \$16.28 per hour. Effective July 1, 2024, the new minimum wage rates in Renton will be as follows:

<b>Covered Employers</b>	<b>Minimum Wage</b>
<b>Large employer.</b> 501+ employees worldwide (or all franchisees associated with a franchisor or a network of franchises that employ more than 500 employees)	\$20.29
<b>Midsized employer.</b> 15-500 employees (or for employers that generate over \$2 million of annual gross revenue in Renton)	\$18.29

Employers that do not fall within the categories above do not need to pay the new minimum wage rates to their Renton employees but must continue to follow the state minimum wage requirements.

Tips and service charges paid to employees may not be counted toward an employee's hourly minimum wage. Additionally, covered employers will no longer be allowed to pay lower than minimum wage rates for certain

categories of workers, including minors under 16, certified workers with disabilities, or on-the-job learners with state-issued subminimum wage certificates.

On January 1, 2025, and on each January 1 thereafter, the hourly minimum wage will increase by the annual rate of inflation. The city's finance department will establish the applicable hourly minimum wage rate for the following year by October 15 of each year.

### **Access to Additional Hours of Work**

The Ordinance requires covered employers (as described in the above categories) to offer additional hours of work to qualified, part-time employees before hiring new employees, subcontractors, or temporary workers to fill those hours. Specifically, employers must offer additional hours of work to existing employees who, in the employer's good faith and reasonable judgment, have the skills and experience to perform the work. Employers must use a reasonable, transparent, and nondiscriminatory process to distribute the hours or work among those existing employees. However, employers will not be required to offer an employee additional hours if, in doing so, the employer would have to pay the employee overtime or other premium rates under any law or collective bargaining agreement.

### **Certification**

Employers will be required to certify compliance with the Ordinance when submitting their annual Renton business license renewal application. Failure to do so may result in denial or revocation of an employer's business license.

### **Penalties**

All employers are prohibited from retaliating against anyone who exercises rights protected by the Ordinance, including seeking or providing information about the Ordinance or making a complaint of alleged violations. The Ordinance establishes a rebuttable presumption of unlawful retaliation if an employer takes an adverse action against a person within 90 days of the person's exercise of protected rights.

The Ordinance provides a private right of action for individuals who suffer financial injury as a result of an alleged violation or who suffer prohibited retaliation. Prevailing parties may seek attorneys' fees, compensatory damages, any legal or equitable relief as may be appropriate to remedy the violation (including payment of any unpaid wages plus interest and liquidated damages), and a penalty of up to \$5,000 if the individual was subject to retaliation.

### **Takeaways**

Prior to July 1, 2024, employers should check to ensure all nonexempt employees in Renton are earning at least the applicable minimum wage. Renton employers should also be sure to comply with the requirements for providing access to additional work hours for qualified, part-time employees before hiring new employees. Finally, employers should take the necessary steps to be able to certify compliance with the Ordinance in their annual Renton business license renewal application. Employers who are concerned about meeting any of these requirements are encouraged to seek advice from trusted counsel.

## Authors

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